



# MEMORANDUM

UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, DC 20202-\_\_\_\_\_

*Cristal Thomas*  
*response to public comments*

**DATE:** September 17, 2001

**TO:** Cristal Thomas  
Control Desk Officer  
Office of Information and Regulatory Affairs  
Office of Management and Budget

**FROM:** Don Watson *See*  
Management and Program Analyst  
Program Development Division  
Office of Student Financial Assistance

**SUBJECT:** Request for clearance of the William D. Ford Federal Direct Loan (Direct Loan) Program and the Federal Family Education Loan (FFEL) Program Unpaid Refund Discharge Form

I have attached a request for clearance of the Direct Loan Program and the FFEL Program Teacher Loan Forgiveness Application and the FFEL Program's Unpaid Refund Discharge Form under (OMB No. 1845-new).

We received 21 comments on the form (12 comments from NCHELP, 9 comments from Texas Guaranteed Student Loan Corporation). We accepted most of the public comments that we received. Therefore, the table below only shows the 2 comments that we accepted with modifications.

COMMENTS	LOCATION	COMMENT	Explanation
NCHELP and Texas Guaranteed	Section 2, item 7b	Place parenthetical after the question mark	We made the parenthetical a dependent clause and part of the sentence.
NCHELP	Section 3, item 12	Add "the" and "that" to the sentence.	We used Texas Guaranteed's comments.

I appreciate your assistance with this request. Please contact me at 202.260-1986 (email me at [donald.watson@ed.gov](mailto:donald.watson@ed.gov)) if you have any questions.

Attachments



# LOAN DISCHARGE APPLICATION: UNPAID REFUND

Federal Family Education Loan Program / William D. Ford Federal Direct Loan Program

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying documents shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-XXXX  
Form Approved  
Exp. Date 99/99/9999

## SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information. If you make a correction, check this box: ☐

SSN --

Name

Address

City, State, Zip

Telephone - Home ( )

Telephone - Other ( )

E-mail Address (Optional)

## SECTION 2: LOAN AND SCHOOL INFORMATION

Before responding, carefully read the entire form, including the instructions and other information on the following page. If you are a student borrower applying for loan discharge, begin with Item 3. If you are a parent borrower applying for a PLUS loan discharge, begin with Item 1.

1. Student's name (last, first, middle initial):

2. Student's SSN: --

3. Name and address (street, city, state, zip) of the school that you believe owes you a refund:

4. Is this school still open?

☐ Yes ☐ No ☐ Don't Know

5. If this school closed, were you (or, for PLUS borrowers, was the student) attending when it closed? ☐ Yes ☐ No

6. a. Do you have any other application for discharge, pending or approved, for a loan you obtained to attend this school? ☐ Yes ☐ No  
b. Has your school or any third party (see definition of "third party" in Section 6, on the following page) made a payment for any loan for which you are requesting a discharge, or is any such payment being considered? ☐ Yes ☐ No

7. If your answers to Items 6a and 6b are "No", proceed to Section 3. If your answer to Item 6a or 6b is "Yes", provide the information requested in Items 7a, 7b, and 7c for each discharge or payment, if known (use a separate sheet of paper if you need to report more than one discharge or payment).

a. Reason for discharge or payment:

b. From whom (include telephone number) was the discharge or payment requested?

c. Amount received or anticipated:  
\$

## SECTION 3: REFUND INFORMATION

If you have documentation from the school showing the amount of the unpaid refund, attach a copy to this form. If you agree with the amount, go on to Section 4. If you don't agree with the amount or you don't have this documentation, complete Items 8 through 13. If you don't know the response to an item in this section, write "Don't Know."

8. What amount do you believe the school owes you?  
\$

9. Why do you believe the school owes you this amount?

10. Your (or, for PLUS borrowers, the student's) first and last dates of attendance at the school:  
-- to -- OR ☐ Never Attended

11. Your (or, for PLUS borrowers, the student's) program of study at the school:

12. This item requests the total amounts related to the period of enrollment for which the loan was intended. For example, if you received a loan for the spring quarter only and you left school during the spring quarter, provide an amount for that quarter only. However, if the loan was received for the winter and spring quarters, provide the total amount for both quarters.

a. If your (or, for PLUS borrowers, the student's) last date of attendance was before October 7, 2000, enter the amount of the school's charges for the period of enrollment for which the loan was intended. Include tuition, fees, and other school charges in the amount. \$

b. If your (or, for PLUS borrowers, the student's) last date of attendance was on or after October 7, 2000, enter the total amount of federal grants and loans received for any part of the period of enrollment for which the loan was intended. \* \$

\* If the unpaid refund is for more than one loan, and the loans were intended for different periods of enrollment, provide the amounts requested in Item 12a or 12b for each period of enrollment separately, using a separate sheet of paper for your additional response(s).

13. Attach a copy of any documentation that supports your responses to Items 8 through 12. Examples of documentation may include, but are not limited to, the school's catalog, refund policy, tuition bill(s), enrollment contract, student account statement, registration forms, withdrawal form, attendance records, and any correspondence from the school that contains information about the refund you believe the school owes you.

## SECTION 4: BORROWER CERTIFICATION

My signature below certifies that—

- Each loan for which I am requesting a discharge was received by me, in whole or in part, on or after January 1, 1986. Those funds were either received by me directly or applied as a credit to my (or, for PLUS borrowers, the student's) school account to pay the amount owed to the school.
- I (or, for PLUS borrowers, the student) did not attend the school, or within the timeframe that would entitle me to a refund, withdrew or was terminated from the school. Except as identified in Section 2, Items 6 and 7, I have not received this refund, or any benefit of a refund to which I am entitled, from the school or any third party.
- I have read and agree to the terms and conditions that apply to this unpaid refund discharge, as specified in Section 7 on the following page.
- Under penalty of perjury, all of the information I have provided on this application and in any accompanying documentation is true and accurate to the best of my knowledge and belief.

Borrower's Signature:

Date:

**SECTION 5: INSTRUCTIONS FOR COMPLETING THE FORM**

**Before you complete this application, you need to know that—**

- If the school is currently open, you may not apply for this type of discharge unless you have first contacted the school and attempted to resolve the issue. If the issue is not resolved, you may then apply for this type of discharge.
- You may not apply for this type of discharge if you are currently attending the school. If you (or, for PLUS borrowers, the student) are still attending the school, you should contact the school about the refund.
- If your school closed while you were enrolled (or if you withdrew from the school within 90 days before the school closed) and you did not complete your program of study at another school, you may wish to apply for a loan discharge based on the school's closure rather than a discharge based on the unpaid refund. If you are unsure about which type of loan discharge is most appropriate for you, contact your loan holder at the address shown in Section 9.

When completing this form, type or print using dark ink. For all dates, give month, day (if known), and year. Show dates as MM-DD-YYYY (for example, "July 01, 2001" = "07-01-2001"). If you need more space to answer any of the items, continue on separate sheets of paper and attach them to this form. Indicate the number of the item(s) you are answering and include your name and social security number (SSN) on all attached pages. If a refund is owed for more than one student or from more than one school, use separate forms for each student or school.

**Return the completed form and any attachments to the address shown in Section 9.**

**SECTION 6: DEFINITIONS**

- **The Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, and Federal Consolidation Loans.
- **The William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (Direct PLUS Loans), and Federal Direct Consolidation Loans (Direct Consolidation Loans).
- **Loan discharge** due to an unpaid refund cancels your obligation (and any endorser's obligation) to repay the portion of the loan that should have been refunded. Any accrued interest and other charges associated with the unpaid refund will also be discharged, and you will be reimbursed for any amount that you have repaid that exceeds the remaining balance of the loan after the discharge. The loan holder reports the discharge to all credit reporting agencies to which the loan holder previously reported the status of the loan.
- **The student** refers to the student for whom a parent borrower obtained a Federal PLUS Loan or Direct PLUS Loan.
- **Third party** refers to the holder of a performance bond, a State or other agency offering a tuition recovery program, or any other entity that may reimburse you for a refund that you are owed.

**SECTION 7: TERMS AND CONDITIONS FOR LOAN DISCHARGE BASED ON UNPAID REFUND**

- I agree to cooperate with the U.S. Department of Education (the Department) or the Department's designee in any enforcement action related to this application and to provide to the Department or the Department's designee, upon request, other documentation reasonably available to me that demonstrates that I meet the qualifications for an unpaid refund discharge.
- I assign and transfer to the Department any right to recovery on the amount discharged that I may have from the school identified in Section 2 of this form and/or any owners, affiliates or assigns of the school, and from any party that may pay claims for a refund because of the actions of the school, up to the amounts discharged by the Department on my loan(s).
- I understand that this request may be denied, or my discharge may be revoked, if I fail to cooperate, provide documentation, or meet any of the other terms of my agreement on this form.
- I understand that if my loan is discharged based on any false, fictitious, or fraudulent statements that I knowingly made on this form or on any accompanying documents, I may be subject to civil and criminal penalties under applicable federal law.

**SECTION 8: IMPORTANT NOTICES**

**Privacy Act Notice:** The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are 428(b)(2)(A) *et seq.* and 451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1078(b)(2)(A) *et seq.* and 20 U.S.C. 1087a *et seq.*) and the authority for collecting and using your Social Security Number (SSN) is 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)). Participating in the Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL Program and/or Direct Loan Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect on your loan(s) if your loan(s) becomes delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed to third parties as authorized under routine uses in the appropriate systems of records. The routine uses of this information include its disclosure to federal, state, or local agencies, to other federal agencies under computer matching programs, to agencies that we authorize to assist us in administering our loan programs, to private parties such as relatives, present and former employers, business and personal associates, to credit bureau organizations, to educational institutions, and to contractors in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to counsel you in repayment efforts, to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, to locate you if you become delinquent in your loan payments or if you default, to provide default rate calculations, to provide financial aid history information, to assist program administrators with tracking refunds and cancellations, or to provide a standardized method for educational institutions efficiently to submit student enrollment status.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

**Paperwork Reduction Notice:** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-XXXX. The time required to complete this information collection is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651

If you have any comments or concerns regarding the status of your individual submission of this form, write directly to the address shown below.

**SECTION 9: WHERE TO SEND THE COMPLETED LOAN DISCHARGE APPLICATION**

**Return the completed loan discharge application and any attachments to:**  
(If no address is shown, return to your loan holder.)

**If you need help completing this form, call:**  
(If no phone number is shown, call your loan holder.)

### SECTION 5: ELIGIBILITY REQUIREMENTS (Continued)

- If you were unable to complete an academic year of teaching, that year may still be counted toward the required five consecutive complete academic years if --
    - (1) You completed at least one-half of the academic year; and
    - (2) Your employer considers you to have fulfilled your contract requirements for the academic year for the purposes of salary increases, tenure, and retirement; and
    - (3) You were unable to complete the academic year because:
      - You returned to postsecondary education, on at least a half-time basis, in an area of study directly related to the performance of the teaching service described above; or
      - You had a condition that is covered under the Family and Medical Leave Act of 1993 (FMLA); or
      - You were called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces.
- The period of postsecondary education, absence due to a condition covered under the FMLA, or active duty service, including the time needed for you to resume teaching no later than the beginning of the next regularly scheduled academic year, does not constitute a break in the required five consecutive complete years of qualifying teaching service.

### SECTION 6: TERMS AND CONDITIONS

- If you are in default on a Direct Loan and/or FFEL program loan(s), you are not eligible for forgiveness of that loan(s) unless you have made satisfactory repayment arrangements with the holder of the defaulted loan(s).
- Your loan holder will not refund any payments that you made or that were made on your behalf before you were determined to be eligible for loan forgiveness under this program.
- You are not eligible to receive forgiveness for more than a combined total of \$5,000 of principal and interest of your Direct Loan and/or FFEL program loan(s). You are responsible for repaying any loan balance that remains after the forgiveness has been granted.
- Unless you instruct your loan holder otherwise, the forgiveness amount will be applied to your loans in the following order: (1) Direct Unsubsidized Loan(s) or unsubsidized Federal Stafford Loan(s), (2) Direct Subsidized Loan(s) or subsidized Federal Stafford Loan(s), and (3) Direct Unsubsidized Consolidation Loan, Direct Subsidized Consolidation Loan or Federal Consolidation Loan.
- If you receive loan forgiveness based on any false, fictitious, or fraudulent statements that you make on this application or on any accompanying documents, you may be subject to civil and criminal penalties under applicable federal law.

### SECTION 7: IMPORTANT NOTICES

#### Privacy Act Disclosure Notice

##### Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §428(b)(2)(A) *et seq.* and 451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1078(b)(2)(A) *et seq.* and 20 U.S.C. 1087a *et seq.*) and the authority for collecting and using your Social Security Number (SSN) is §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)). Participating in the Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL Program and/or Direct Loan Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect on your loan(s) if your loan(s) becomes delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed to third parties as authorized under routine uses in the appropriate systems of records. The routine uses of this information include its disclosure to federal, state, or local agencies, to other federal agencies under computer matching programs, to agencies that we authorize to assist us in administering our loan programs, to private parties such as relatives, present and former employers, business and personal associates, to credit bureau organizations, to educational institutions, and to contractors in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to counsel you in repayment efforts, to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, to locate you if you become delinquent in your loan payments or if you default, to provide default rate calculations, to provide financial aid history information, to assist program administrators with tracking refunds and cancellations, or to provide a standardized method for educational institutions efficiently to submit student enrollment status.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

#### Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-xxxx. The time required to complete this information collection is estimated to average 0.33 hours (20 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection.

If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this application, please write to:  
U.S. Department of Education, Washington, DC 20202-4651

If you have any comments or concerns regarding the status of your individual submission of this application, write directly to the address shown below.

### SECTION 8: WHERE TO SEND THE COMPLETED LOAN FORGIVENESS APPLICATION

Return the completed loan forgiveness application and any attachments to:  
(If no address is shown, return to your loan holder)

If you need help completing this application, call:  
(If no phone number is shown, call your loan holder.)



# TEACHER LOAN FORGIVENESS FORBEARANCE FORM

## Federal Family Education Loan Program

YOU MAY QUALIFY FOR FORGIVENESS ONLY IF YOU HAD NO OUTSTANDING BALANCE ON A FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM LOAN OR WILLIAM D. FORD FEDERAL DIRECT LOAN (DIRECT LOAN) PROGRAM LOAN ON OCTOBER 1, 1998, OR ON THE DATE YOU OBTAINED A LOAN AFTER OCTOBER 1, 1998.

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying documents shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-XXXX  
Form Approved  
Exp. Date 98/99/9999

### SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information. If you make a correction, check this box: ☐

SSN | | | - | | | - | | | |

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone - Home ( ) \_\_\_\_\_

Telephone - Other ( ) \_\_\_\_\_

E-mail (optional) \_\_\_\_\_

### SECTION 2: GENERAL INFORMATION AND INSTRUCTIONS FOR FORBEARANCE REQUEST

- The Teacher Loan Forgiveness Program is intended to encourage individuals to enter and continue in the teaching profession. Under this program, individuals who teach full-time for five consecutive complete academic years in certain elementary and secondary schools that serve low-income families and meet other qualifications may be eligible for forgiveness of up to a combined total of \$5,000 of the principal and interest of their FFEL and/or Direct Loan program loans. This forbearance is intended to assist borrowers whose loans are expected to be fully forgiven and who may not maximize their loan forgiveness benefits because they continue to make payments on their loans while performing the five complete consecutive years of teaching service.
- Before completing this Teacher Loan Forgiveness Forbearance Form, carefully read the entire form including the *Definitions, Eligibility Requirements and Terms and Conditions* in Sections 4 and 5. If you do not qualify for this forbearance, you may contact your loan holder(s) for other forbearance options.
- Type or print using dark ink. Provide all requested information. Show dates as MM-DD-YYYY (for example, "January 1, 2001" = "01-01-2001").
- Return the completed form to the address shown in Section 7. If you are applying for forbearance of loans that are held by different loan holders, you must submit a separate Teacher Loan Forgiveness Forbearance Form to each loan holder.

### SECTION 3: TEACHER LOAN FORGIVENESS FORBEARANCE REQUEST AND CERTIFICATION

By my signature, I certify that:

- I have read and understand the terms and eligibility criteria for the Teacher Loan Forgiveness Program, as outlined in Section 4.
- I am requesting forbearance of payments on my eligible loan(s) while I am performing my qualifying teaching service. If I am past due on payments not covered by this forbearance, my loan holder may grant me a separate forbearance to resolve the delinquency on these payments at the time my request is processed. Upon termination of the forbearance, I agree to repay the loan(s) according to the terms of my promissory note(s) and repayment schedule(s).
- I understand that I qualify for this forbearance only if my loan holder determines that the expected forgiveness amount for which I am eligible will satisfy the anticipated outstanding balance of my eligible loan(s) as of the end of my fifth year of qualifying service.
- I understand that this forbearance will be granted for twelve-months and that I must reapply for forbearance each year during the five years of required service.
- I understand that any unpaid interest that accrues during the forbearance period may be capitalized, as permitted by law.
- I am/will be employed as a full-time teacher at an eligible elementary or secondary school and intend to complete the five consecutive complete academic years of teaching service. I will notify my loan holder immediately if my teaching service at an eligible school ends.

The current academic year of teaching service for which I am requesting forbearance begins/began on | | - | | - | | | | and ends on | | - | | - | | | |. I anticipate completing my fifth year of qualifying teaching service on | | - | | - | | | |. The school at which I am/will be performing my qualifying teaching service is the following:

School Name \_\_\_\_\_

( )  
Telephone \_\_\_\_\_

School Address (Street, City, State, Zip) \_\_\_\_\_

County \_\_\_\_\_

The information that I provided in this section is true and accurate to the best of my knowledge and belief.

Borrower's Signature \_\_\_\_\_

Date \_\_\_\_\_

## SECTION 4: DEFINITIONS AND ELIGIBILITY REQUIREMENTS

### DEFINITIONS

■ An **academic year** is:

- ◆ One complete school year at the same school, or
- ◆ Two complete and consecutive half years at different schools, or
- ◆ Two complete and consecutive half years from different school years at either the same school or different schools.

Half years exclude summer sessions and generally fall within a 12-month period. For schools that have a year-round program of instruction, a minimum of nine months is considered an academic year.

- **Capitalization** is the addition of unpaid interest to the principal balance of a loan. This will increase the principal and total cost of the loan.
- The **Chief Administrative Officer** is the official in your school (such as a principal or assistant principal) with responsibility for supervising your employment as a teacher and who has access to records relating to your experience and qualifications for teaching.
- An **elementary school** is a public or nonprofit private school that provides elementary education as determined by State law or, if the school is not in a State, by the U.S. Department of Education.
- A **forbearance** is a temporary cessation of payments, an extension of time for making payments, or a temporary acceptance of smaller payments than previously scheduled. The borrower is responsible for paying the interest that accrues on a loan during forbearance.
- **Full-time** means the standard used by a State in defining full-time employment as a teacher. If you teach in more than one school, full-time is based on the combination of all of your qualifying employment.
- The holder of an **FFEL Program** loan may be a lender, a guaranty agency, or the U.S. Department of Education. The holder of a **Direct Loan Program** loan is the U.S. Department of Education.
- **Loans that are eligible for forgiveness** are Federal Stafford Loans (subsidized and unsubsidized), Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), and any portion of a Federal Direct Consolidation Loan or Federal Consolidation Loan that was used to pay off an eligible Direct Subsidized Loan, Direct Unsubsidized Loan, or Federal Stafford Loan.
- A **secondary school** is a public or nonprofit private school that provides secondary education as determined by State law or, if the school is not in a State, by the U.S. Department of Education.
- A **teacher** is a person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including Special Education teachers. A school librarian or guidance counselor is not considered a teacher for the purposes of this loan forgiveness program.

### ELIGIBILITY REQUIREMENTS

- To qualify for loan forgiveness under this program, you must not have had an outstanding balance on a FFEL or Direct Loan program loan as of October 1, 1998, or on the date you obtained a FFEL or Direct Loan program loan after October 1, 1998.
- The loan(s) for which you are seeking forgiveness was made prior to the end of the fifth academic year of your qualifying teaching service.
- You have not received loan forgiveness benefits through the AmeriCorps Program under Subtitle D of Title I of the National and Community Service Act of 1990 for the same teaching service for which you are seeking forgiveness of your Direct Loan and/or FFEL program loan(s).
- You must have been employed as a full-time teacher for five consecutive complete academic years, at least one of which was after the 1997-1998 academic year, in an elementary or secondary school that –
  1. Is in a school district that qualifies for funds under Title I of the Elementary and Secondary Education Act of 1965, (ESEA) as amended;
  2. Has been selected by the U.S. Department of Education based on a determination that more than 30 percent of the school's total enrollment is made up of children who qualify for services provided under Title I; and
  3. Is listed in the *Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits*. If this directory is not available before May 1 of any year, the previous year's directory may be used.

If your school meets the above requirements for at least one year of your teaching service, but does not meet these requirements during subsequent years, the subsequent years of teaching at the school may be counted toward the required five consecutive complete academic years of teaching.

- If you are/were employed as an **elementary school teacher**, you must demonstrate knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum, as certified by the Chief Administrative Officer of the school where you are/were employed.
- If you are/were employed as a **secondary school teacher**, you must teach/have taught in a subject area that is relevant to your academic major, as certified by the Chief Administrative Officer of the school where you are/were employed.
- If you were unable to complete an academic year of teaching, that year may still be counted toward the required five consecutive complete academic years if—
  1. You completed at least one-half of the academic year; and
  2. Your employer considers you to have fulfilled your contract requirements for the academic year for the purposes of salary increases, tenure, and retirement; and
  3. You were unable to complete the academic year because:
    - You returned to postsecondary education, on at least a half-time basis, in an area of study directly related to the performance of the teaching service described above; or
    - You had a condition that is covered under the Family and Medical Leave Act of 1993 (FMLA); or
    - You were called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces.

The period of postsecondary education, absence due to a condition covered by the FMLA, or active duty service, including the time needed for you to resume teaching no later than the beginning of the next regularly scheduled academic year, does not constitute a break in the required five consecutive complete years of qualifying teaching service.

## SECTION 5: TERMS AND CONDITIONS

- If you are in default on a FFEL or Direct Loan program loan, you are not eligible for forgiveness of that loan unless you have made satisfactory repayment arrangements with the holder of the defaulted loan.
- Your loan holder will not refund any payments that you made or that were made on your behalf before you were determined to be eligible for loan forgiveness under this program.
- You are not eligible to receive forgiveness for more than a combined total of \$5,000 of the principal and interest of your FFEL and/or Direct Loan program loans. You are responsible for repaying any loan balance that remains after forgiveness has been granted.
- If you receive loan forgiveness based on any false, fictitious, or fraudulent statements that you make on this form or on any accompanying documents, you may be subject to civil and criminal penalties under applicable federal law.

## SECTION 6: IMPORTANT NOTICES

### Privacy Act Disclosure Notice

#### Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are 428(b)(2)(A) *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1078(b)(2)(A) *et seq.* and the authority for collecting and using your Social Security Number (SSN) is 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)). Participating in the Federal Family Education Loan (FFEL) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect on your loan(s) if your loan(s) becomes delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed to third parties as authorized under routine uses in the appropriate systems of records. The routine uses of this information include its disclosure to federal, state, or local agencies, to other federal agencies under computer matching programs, to agencies that we authorize to assist us in administering our loan programs, to private parties such as relatives, present and former employers, business and personal associates, to credit bureau organizations, to educational institutions, and to contractors in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to counsel you in repayment efforts, to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, to locate you if you become delinquent in your loan payments or if you default, to provide default rate calculations, to provide financial aid history information, to assist program administrators with tracking refunds and cancellations, or to provide a standardized method for educational institutions efficiently to submit student enrollment status.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

#### Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-xxxx. The time required to complete this information collection is estimated to average 0.2 hours (12 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. *If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to*

U.S. Department of Education, Washington, DC 20202-4651

*If you have any comments or concerns regarding the status of your individual submission of this form, write directly to the address shown in Section 7.*

## SECTION 7: WHERE TO SEND THE COMPLETED TEACHER LOAN FORGIVENESS FORBEARANCE FORM

Return the completed forbearance request and any attachments to:  
(If no address is shown, return to your loan holder)

If you need help completing this form, call:  
(If no telephone number is shown, call your loan holder.)

# MEMORANDUM

UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, DC 20202-\_\_\_\_\_

**DATE:** September 17, 2001

**TO:** Cristal Thomas  
Control Desk Officer  
Office of Information and Regulatory Affairs  
Office of Management and Budget

**FROM:** Don Watson *Don*  
Management and Program Analyst  
Program Development Division  
Office of Student Financial Assistance

**SUBJECT:** Request for clearance of the William D. Ford Federal Direct Loan (Direct Loan) Program and the Federal Family Education Loan (FFEL) Program Teacher Loan Forgiveness Forms

*Cristal Thomas*  
*responses to public comments*

I have attached a request for clearance of the Direct Loan Program and the FFEL Program Teacher Loan Forgiveness Application and the FFEL Program's Teacher Loan Forgiveness Forms under (OMB No. 1845-new).

We received 29 comments on the forms (17 comments on the application, 12 comments on the forbearance form, 2 comments on both). We accepted most of the public comments that we received. Therefore, the table below only shows the comment that we did not accept.

COMMENTER	FORM	LOCATION	COMMENT	DECISION
NCHLP	Application	Heading	Replace the application heading with the forbearance heading	We modified both heading so that they are the same.
NCHLP	Application and Forbearance	General	Include "\$" to U.S. code citation.	We did not include this.

I appreciate your assistance with this request. Please contact me at 202.260-1986 (email me at donald.watson@ed.gov) if you have any questions.

Attachments





TLFA

## TEACHER LOAN FORGIVENESS APPLICATION

**William D. Ford Federal Direct Loan Program / Federal Family Education Loan Program**  
YOU MAY QUALIFY FOR LOAN FORGIVENESS ONLY IF YOU HAD NO OUTSTANDING BALANCE ON A WILLIAM D. FORD FEDERAL DIRECT LOAN (DIRECT LOAN) PROGRAM LOAN OR A FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM LOAN ON OCTOBER 1, 1998, OR HAD NO OUTSTANDING BALANCE ON A DIRECT LOAN OR FFEL PROGRAM LOAN ON THE DATE YOU OBTAINED A LOAN AFTER OCTOBER 1, 1998.

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this application or on any accompanying documents shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-XXXX  
Form Approved  
Exp. Date 99/99/9999

### SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information. If you make a correction, check this box: ☐

SSN [ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone - Home ( ) \_\_\_\_\_

Telephone - Other ( ) \_\_\_\_\_

E-mail (optional) \_\_\_\_\_

### SECTION 2: BORROWER'S LOAN FORGIVENESS REQUEST AND CERTIFICATIONS *This section must be completed by the borrower.*

Before completing this section, please read the entire application, including the General Information and Instructions, Definitions and Eligibility Requirements, and Terms and Conditions in Sections 4, 5, and 6.

- ☒ I request forgiveness of my Direct Loan and/or FFEL program loan(s), up to the maximum amount for which I am eligible, based on my employment as a full-time teacher in an eligible elementary or secondary school.

Check the appropriate box:

- ☐ I have not previously applied for nor received forgiveness of my Direct Loan and/or FFEL program loan(s) under this Teacher Loan Forgiveness Program.

- ☐ I have applied for or received forgiveness of my Direct Loan and/or FFEL program loan(s) under this Teacher Loan Forgiveness Program with the loan holder(s) listed below. (If you have applied for forgiveness but have not yet received forgiveness, leave "Forgiveness Amount" blank.)

_____ Loan Holder's Name	_____ Loan Holder's Telephone	\$ _____ Forgiveness Amount
_____ Loan Holder's Name	_____ Loan Holder's Telephone	\$ _____ Forgiveness Amount

- ☒ Unless I notify my loan holder otherwise, I understand that a forbearance of principal and accrued interest will be applied on the qualifying loan(s) from the date my loan holder receives my completed loan forgiveness application through the date the loan forgiveness request is either approved or denied. I understand that any unpaid interest that accrues during the forbearance period may be capitalized.

- ☒ I certify that: (1) I did not have an outstanding balance on a Direct Loan and/or FFEL program loan on October 1, 1998, or on the date that I obtained a Direct Loan or FFEL program loan after October 1, 1998; (2) I received the loan(s) for which I am seeking forgiveness before the end of my fifth academic year of qualifying teaching service; (3) I have not received loan forgiveness benefits through the AmeriCorps Program under Subtitle D of Title I of the National and Community Service Act of 1990 for the same teaching service for which I am seeking forgiveness of my Direct Loan and/or FFEL program loan(s); (4) I have read, understand, and meet all of the definitions and eligibility requirements for loan forgiveness as described in Section 5; (5) the information that I have provided on this application is true and correct.

Borrower's Signature \_\_\_\_\_

Date \_\_\_\_\_

### SECTION 3: CHIEF ADMINISTRATIVE OFFICER'S CERTIFICATION *This section must be completed by the Chief Administrative Officer.*

Before completing this section, please read the General Information and Instructions and Definitions and Eligibility Requirements in Sections 4 and 5. More than one Chief Administrative Officer's certification may be required. Return the completed application to the borrower.

I certify, to the best of my knowledge and belief, that the borrower named above: (1) has taught full-time for (circle one) 1 2 3 4 5 or Other \_\_\_\_\_ consecutive complete academic year(s) from [ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ] to [ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ]-[ ] at an eligible Title I school(s) as an elementary school teacher who demonstrated knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum, or as a secondary school teacher in a subject area that is relevant to his or her academic major, and (2) has met the teaching service requirements for loan forgiveness as specified under Definitions and Eligibility Requirements in Section 5.

School's Name \_\_\_\_\_

County \_\_\_\_\_

School's Address (Street, City, State, Zip) \_\_\_\_\_

Chief Administrative Officer's Name and Title (Printed) \_\_\_\_\_

Telephone \_\_\_\_\_

Chief Administrative Officer's Signature \_\_\_\_\_

Date \_\_\_\_\_

#### SECTION 4: GENERAL INFORMATION AND INSTRUCTIONS

- The Teacher Loan Forgiveness Program is intended to encourage individuals to enter and continue in the teaching profession. Under this program, individuals who teach full-time for five consecutive complete academic years in certain elementary and secondary schools that serve low-income families and meet other qualifications may be eligible for forgiveness of up to a combined total of \$5,000 in principal and interest of their Direct Loan and/or FFEL program loans. For complete eligibility requirements and terms and conditions, see Sections 5 and 6.
- Before completing Section 2, carefully read Section 5. Be sure to provide all requested information. Type or print using dark ink. Show dates as MM-DD-YYYY (for example, show "January 1, 2001" as "01-01-2001").
- The Chief Administrative Officer of the school at which you performed your qualifying teaching service must complete Section 3. If you taught at more than one school during the same academic year, the Chief Administrative Officer from one of the schools involved may complete Section 3. If you taught at different schools during different academic years, the Chief Administrative Officers from each of the schools involved must certify your eligibility. If you need more than one Chief Administrative Officer's certification, you may provide the additional certifications, containing the information in Section 3, on a separate piece of paper and submit that information with your completed application.
- Return the completed application to the address shown in Section 8. If you are applying for forgiveness of loans that are held by different loan holders, you must submit a separate application to each loan holder.

#### SECTION 5: DEFINITIONS AND ELIGIBILITY REQUIREMENTS

##### DEFINITIONS

- An academic year is:
  - one complete school year at the same school, or
  - two complete and consecutive half years at different schools, or
  - two complete and consecutive half years from different school years at either the same school or different schools.Half years exclude summer sessions and generally fall within a 12-month period. For schools that have a year-round program of instruction, a minimum of nine months is considered an academic year.
- Capitalization is the addition of unpaid interest to the principal balance of a loan. This will increase the principal and total cost of the loan.
- The Chief Administrative Officer is the official in your school (such as a principal or assistant principal) with responsibility for supervising your employment as a teacher and who has access to records relating to your experience and qualifications for teaching.
- An elementary school is a public or nonprofit private school that provides elementary education as determined by State law or, if the school is not in a State, by the U.S. Department of Education.
- A forbearance is a temporary cessation of payments, an extension of time for making payments, or temporary acceptance of smaller payments than previously scheduled. The borrower is responsible for any interest that accrues on a loan during forbearance. If the borrower does not pay the interest that accrues on the loan, the interest may be capitalized.
- Full-time means the standard used by a State in defining full-time employment as a teacher. If you teach in more than one school, full-time is based on the combination of all of your qualifying employment.
- The holder of a Direct Loan Program loan is the U.S. Department of Education. The holder of a FFEL Program loan may be a lender, guaranty agency, or the U.S. Department of Education.
- Loans that are eligible for forgiveness are Federal Stafford Loans (subsidized and unsubsidized), Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), and any portion of a Federal Direct Consolidation Loan or Federal Consolidation Loan that was used to pay off an eligible Direct Subsidized Loan, Direct Unsubsidized Loan, or Federal Stafford Loan.
- A secondary school is a public or nonprofit private school that provides secondary education as determined by State law or, if the school is not in a State, by the U.S. Department of Education.
- A teacher is a person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including Special Education teachers. A school librarian or guidance counselor is not considered a teacher for the purposes of this loan forgiveness program.

##### ELIGIBILITY REQUIREMENTS

- To qualify for loan forgiveness under this program, you must not have had an outstanding balance on a Direct Loan or FFEL program loan as of October 1, 1998 or on the date that you obtained a Direct Loan Program loan or a FFEL Program loan after October 1, 1998.
- The loan(s) for which you are seeking forgiveness was made prior to the end of your fifth academic year of qualifying teaching service.
- You have not received loan forgiveness benefits through the AmeriCorps Program under Subtitle D of Title I of the National and Community Service Act of 1990 for the same teaching service for which you are seeking forgiveness of your Direct Loan and/or FFEL program loan(s).
- You must have been employed as a full-time teacher for five consecutive complete academic years, at least one of which was after the 1997-1998 academic year, in an elementary or secondary school that –
  - (1) is in a school district that qualifies for funds under Title I of the Elementary and Secondary Education Act of 1965, as amended;
  - (2) Has been selected by the U.S. Department of Education based on a determination that more than 30 percent of the school's total enrollment is made up of children who qualify for services provided under Title I; and
  - (3) is listed in the *Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits*. If this directory is not available before May 1 of any year, the previous year's directory may be used.If your school meets the above requirements for at least one year of your teaching service, but does not meet these requirements during subsequent years, the subsequent years of teaching at the school may be counted toward the required five consecutive complete academic years of teaching.
- If you are/were employed as an elementary school teacher, you must demonstrate knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum, as certified by the Chief Administrative Officer of the school where you are/were employed.
- If you are/were employed as a secondary school teacher, you must teach/have taught in a subject area that is relevant to your academic major, as certified by the chief administrative officer of the school where you are/were employed.